

Let 640523

Box 717

"China, 1950-1"

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S/P - Mr. Nitze

S/P - Mr. Marshall

June 8, 1951

china

1. On the basis of what I was told in Hong Kong, I believe:

a. Up to now the Korean fighting has not hurt the Peiping regime in any way likely to weaken it; to the contrary, it has enabled the regime to move rapidly ahead in fastening controls on the populace.

b. Concurrently, Moscow's grip on China has been greatly strengthened.

c. No Chinese decision to end the conflict is to be anticipated except as the result of a Moscow decision based on Moscow's calculation of its own advantage in calling off the struggle.

2. This brings up the prospect of indeterminate fighting in Korea. In the face of such a prospect, the choice lies among the following:

a. UN withdrawal from Korea.

b. Prolongation of the fighting in its present scope in the hope that something may turn up to persuade our foes to call it off.

c. Direct extension of the fighting to the Chinese mainland by bombing and related means.

d. An attempt to bring down the Peiping regime without direct resort to attacks on the mainland.

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>JL</u>	DATE <u>10 AUG 1981</u>
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3. The first course--withdrawal-- would involve:

- a. A tremendous abdication of prestige and influence for the U.S. itself and for the whole UN idea.
- b. Freeing the Peiping regime for adventures elsewhere.
- c. A tremendous victory for our adversaries-- regardless of how much we might try to explain it away.
- d. The cession of virtually all Asian assets to our adversaries.

This cost may be more than we could afford. Before coming to such a conclusion, however, we should count the costs of the other courses.

4. The second course--reconciliation to a prolonged conflict in Korea--would require:

- a. Persuasion of the American people to go on and on in a struggle which its Government knew how to begin but does not know how to end.
- b. The justification to them of a struggle akin to a poker game in which one of the players loses his ante when he fails to draw a winning hand but can only get back his ante when he does.
- c. As a minimum condition to winning the sustained support of the American people for the struggle, the commitment to Korea by our allies of greatly increased forces.

I am not sure this course is impossible. I trust our country could persevere in Korea as well as the French have done in Indochina. The rub comes in the necessity of showing that such a struggle can have a pay-off. I am sure that even Daniel Boone would not have been willing to fight the Kentucky Indians on and on if his

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best hope was that after victory he could go back to North Carolina.

5. The third course--direct extension of the scope of the war--would involve the huge risks asserted in the current hearings on the MacArthur issue:

a. Russian intervention.

b. A definitive struggle in an area at a time and under general conditions unfavorable to us.

c. Desertion by our allies.

d. The prospect of having to go it alone in the face of tremendous difficulties.

It would involve also a demonstration that MacArthur was right--a circumstance full of political dynamite. Logically this may not be so, but I believe it would be impossible to convince the public.

6. The fourth course--making the downfall of the Peiping regime a consciously-held objective--is the one that mainly appeals to me at the moment. I want to discuss it in three aspects: What it would require; how it might be done; the timing. I can give only the ideas that emerge from brief and superficial consideration. I believe the subject deserves the most careful study by this Department, specifically by the Policy Planning Staff, and by related agencies of the Government in the immediate future.

7. This course would require: Persuading the American people to support a struggle in Korea of considerable duration. In this sense it is akin to the second course listed above. A great difference, possibly a determining one, inheres, however, in the circumstance that the fourth course leads to an objective representing a positive gain for the United States and its allies in the contest for survival. It is much different from playing poker in the hope of getting back one's ante.

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8. This course would require--and this is of the highest importance--the support of allies. I doubt that the United States could afford to go it alone in the face of indifference and even opposition of those with whom we are supposed to be cooperating elsewhere in the world. I believe it would be beyond our resources. I believe the effort to do so under such conditions would, in any event, so affect public opinion as to result in disruptive strains on our European alliances.

9. The problem of allies is, above all, a question of the attitude of the British. The French would, I believe, come along if the British would come along. If the French and the British would come along, then many others would support us and we would enjoy solid backing among the free nations.

10. The British inhibitions would derive from several circumstances--notably, (a) the fear of outright action as a possible avenue to general war; (b) doubts about our steadiness in policy dealing with China; (c) a fixed idea of the primary importance of India, resulting in what might be described as a moral veto over their policy in the hands of the uncertain Nehru; (d) abiding sentimental support among some elements of the Labor Party of the Peiping regime for its leftwardness.

11. I believe these elements of inhibition among the British would not be beyond solution. To particularize:

a. It could be well demonstrated that a sustained effort to settle definitively the score with the aggressor, and along with that to reduce the Moscow power base, would conduce to the frustration of Moscow's design for conquest. A determined and united effort of that character would be more likely to give Moscow pause than it would be to precipitate war.

b. We should have to show that our plan of action was systematic and well conceived and that our goals were practicable. The British are certainly in a position to require this, and we should be able to put up a cogent case.

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c. Nehru is going to be difficult for the next six months--as I believe elections come in India at about that time. Thereafter it should be simpler to deal with him. It is even in prospect that his political significance may be much less after the elections. The concrete actions called for in pursuance of the line of policy I here suggest in broad outline would not become manifest until well after that time. In any event, we, and the British along with us, must learn that there is a limit to trying to guide by Nehru. We might as well thrash out with the British the difficulties of trying to stand with someone who has St. Vitus dance.

d. The sentiment over the leftness of Peiping is not likely to be decisive unless the Bevan dissenters decide to kick over the traces over this development along with their other grievances. In that event, a Conservative government might well be the successor. Anyway, we might as well start talking turkey to the British about the real nature of the Peiping regime and of its threat to us and them in combination with Moscow--provided of course that we have become clear in our own minds.

12. One other matter appears relevant in persuading the British. It is Iran. If we are to stand together on that issue, why not also on other issues in the Orient. Iran is of great strategic importance to them. That poses a problem of great imminence. But so indeed does the Chinese situation to us. The British involvement in the Chinese situation must be clearly as demonstrable as our involvement in Iran. It is just as well to precipitate with the British a discussion and a decision for common attitudes on a very broad front. There must be some give and take in developing such a front, but that is not as important as the need of developing common grounds on a broad basis firmly and soon.

13. The lines of action I suggest would require some increase in costs and a raising of sights in the rearmament program. We would probably have to undertake nearly all of the increment in cost.

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14. The lines of action we might develop would include the following:

a. Broaden the appeal of the Formosa regime. I believe this would be much simpler with some more names on the letterhead besides our own, so to speak. Chiang could be more readily persuaded to make accommodations on that basis. Programs for developing a basis of good government--or at least less bad government--in event of a return to the mainland could be more effectively established. The suspicions of the Chinese regarding foreign designs could be more effectively allayed. I believe all these things would be made more readily achievable if the Formosa undertaking had a wider aegis.

b. Make the Southeast Asia situation secure and firm. Do this on the widest possible basis of cooperation among the countries concerned. Make use of the overseas Chinese populations--an opportunity of great value to us, if what I was told while in the Far East was correct. Get close cooperation between them and the local and colonial governments. Step up assistance to the countries concerned to the extent that they can properly use it.

c. Use the thus improved situation in Southeast Asia as a base for a formidable guerrilla operation within China--with good logistical support. The timing on this would have to be delicate. The effort would have to be brought to a head after the initiative had passed from Peiping--at the moment of shift in the military balance in the whole area.

d. Get a unified program for raw materials production going in the area. This will help it economically; it will also benefit our allies and us in our defense program. Establish the broadest sort of coordination and jointness in political, production, and military efforts in the area.

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e. In sum present the Chinese with a prospect that their goose is going to be cooked--that their adversaries are united. Couple this with never-ending peace feelers and suggestions of the possibility of accommodation in event of effective revolt against the regime. Carry this home to them by leaflet drops and by every other means.

f. Strengthen militarily the politically improved Formosa situation. Go to the limit of capability in training, guidance, and equipping the Formosa forces for effective action when the time is ripe for a return to the mainland.

g. Lay the groundwork for accommodation between Formosa and third force groups--but do not hasten this. Insist upon the largest possible measure of military coordination when the time for action from Formosa to the Continent comes.

15. All this will take money. It will take effort and patience and resolution. It will take unity with our allies. It will require boldness. It will require fairly complete disclosure to our people and to the world as to what we are about. It will take time. I will venture that nothing much will show for the effort for almost a year. It may be another year or year and a half before things begin to come to fruition. It must be done concurrently with and in addition to the effort being made in Europe.

16. If the qualities requisite appear unachievable, if the costs appear too high, if the job appears beyond our capabilities, then I think we should start planning for the course of pulling out of Korea and writing off all Continental Asia. I think we must not let ourselves go on with a huge and costly venture in which we can't win and which we don't know how to conclude to our credit.

17. Along with the other suggestions, it seems to me vital to recognize the possible determining importance of Formosa in this whole picture. We should strengthen the mission there. It deserves the best men we can get.

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It requires men who know how to deal with slippery and proud characters--men who know how to be tactful and exacting. If I were appointing authority I think I would try to pull a fast one and name Wedemeyer Ambassador there. That would box in Chiang and the China Lobby. Then I would give Wedemeyer someone like Penfield as a Number 2 man and political adviser.

18. One other idea may be worth considering in this connection is that of establishing a commissioner for the whole area on a Presidential level--to coordinate production matters, joint defense, political relations, and all such matters in an arc extending maybe from Pakistan to Japan. Keep him on the ground. Give him fairly wide discretion. Give him a good staff. Get a high caliber man for the job. Rusk might well be considered. Loy Henderson's name also comes to mind. I just throw them out as suggestions. But above all set up an establishment at the scene manifesting the integralness of our approach to the area's problems and our will to do everything we can to weld it into a base from which to bring our enemies down.

19. These ideas are written hurriedly. They are all that come to mind at the moment. I am not certain they present a whole and internally consistent pattern. I hope, however, they will serve as a point of departure for a broad and penetrating discussion which, I believe, must be undertaken soon.

20. In checking over hurriedly I find that I omitted from paragraph 14 a reference to blockade. The possibilities of this have already been fully developed, as you know, in Admiral Sherman's testimony. I believe that an agreement among us and our allies on the replacement of the Peiping regime as the objective of our efforts in East Asia would enable us to move ahead with an effective closure of Chinese commerce.

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